GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy, Infrastructure & Investment Department – Issue of LoA to the eligible bidders for appointment of Project Implementation Agency (PIA) for BharatNet Phase-II works to establish optical network infrastructure in the state of Andhra Pradesh – Approved - Orders – Issued.

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**ENERGY, INFRASTRUCTURE AND INVESTMENT (AIRPORTS) DEPARTMENT**

**G.O.MS.No. 6** **Dated: 11-01-2019.**

**Read:-**

From the MD, APSFL E-file no. APSFL-13034/4/2018-CGM-COOR-APSFL.

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**O R D E R:**

In the reference read above, the Managing Director, AP State FiberNet Limited (APSFL) has informed that the Telecom Commission considered and approved an estimated cost of Rs.851.23Cr for the proposal submitted by APSFL for implementation of the BharatNet Phase-II under State led model. He has further stated that Bharat Bradband Network Limited (BBNL)/ Universal Service Obligation Fund (USOF)/ Department of Telecommunication (DoT) has been requested to consider and sanction the revised estimated cost of Rs.1410 Crores for the reasons as mentioned below:

i. Total route OFC Km to be laid (Aerial): 55,000 Kms (value has increased from 51,449 Kms to 55,000 Kms due to ring architecture).
ii. Technology deployed would be Internet Protocol Multiprotocol Label Switching (IPMPLS) till the GP and GPON for the last mile access.
iii. Total estimated cost would increase from Rs.851.23 Crores to Rs.1410.01Crores.

| S. No | Description | Cumulative Cost |
|---|---|---|
| 1 | Electronics and Accessories | 570,15,00,000 |
| 2 | Network Operations Center | 52,00,00,000 |
| 3 | Fiber & Accessories | 787,86,06,000 |
| | **Total Estimate (Electronics+Network+Fiber)** | **1410,01,06,000** |

2. APSFL has floated the following two tenders:

i. RfP for Appointment of Project Implementation Agency (PIA) for BharatNet Phase-II works to establish optical network infrastructure in the state of Andhra Pradesh *(3 packages)*.
ii. RfP for Appointment of Project Implementation Agency (PIA) for BharatNet Phase-II works to establish IPMPLS network infrastructure in the state of Andhra Pradesh *(single package)*.

3. Bids received have been opened. M/s Telecommunications Consultants India Limited has quoted a total amount of **Rs.1085,58,17,140 Crores** (*CAPEX of Rs.859,86,67,041 + OPEX of Rs.225,71,50,098*) has been ranked as the L1 bidder for the passive infrastructure tender. M/s Larsen & Toubro (L2 bidder) & M/s Tera Software Limited (L4 bidder) have agreed to match the prices of L1 as per the conditions stipulated in the RfP, whereas L3 bidder has not agreed to match prices of L1.

4. BBNL has approved the revised DPR submitted by APSFL. The details are provided below:

| S.No | Description | Revised CAPEX in Crores |
|---|---|---|
| 1 | Aerial Fiber and Accessories | Rs.772.79 |
| 2 | Electronics & Accessories | Rs. 95.15 |
| 3 | Network Operations Centre | Rs. 40.00 |
| | **Basic CAPEX** | **Rs.907.94** |

5. The Managing Director, APSFL has further informed that, the L1 bidder has quoted an amount of Rs.87.08 Crores higher than the revised total CAPEX amount of Rs.772.79 Crores sanctioned by USOF/BBNL/DoT for passive infrastructure. The same has been placed before the 2nd State Level Implementation Committee (SLIC) meeting held on 02.11.2018 and it was resolved as follows:

> *As per the procedures adopted by the State Government, if the prices quoted by the L1 bidder are more than 5% of the estimated amount then either:*
>
> - *The tender shall be cancelled or*
> - *Tender can awarded after providing proper justification and approval from cabinet*
>
> *Administrator, USOF has acknowledged that the difference between the sanctioned amount and amount quoted by the L1 bidder is not much. However, the approval for the same, from BBNL/USOF/DoT shall be accorded after due diligence. Further, the Administrator, USOF, has recommended the State Implementing Agency (SIA) to go ahead with tender process by obtaining approval from the Government of Andhra Pradesh. Meanwhile, USOF/BBNL/DoT shall sanction the difference amount based on merit.*

6. The Managing Director, APSFL has further informed that the rate of difference between the rate quoted by the L1 bidder i.e., Rs.859.87 crores and the estimated cost submitted by the APSFL to BBNL i.e., Rs.787.86 crores, is 72.01 crores (9.1%). Whereas the rate of difference between the rate quoted by the L1 bidder i.e., Rs.859.87 crores and the amount sanctioned by the BBNL i.e., Rs.772.79 crores, is 87.08 crores (11.26%). However, during the 2nd SLIC meeting held on 02.11.2018, BBNL has agreed to consider and sanction the above difference amount of Rs.87.08 crores base d on the merits.

7. Accordingly, the Managing Director, AP State FiberNet Limited (APSFL) has requested to approve the 9.1% difference of rate discovered by due tender process

and for issue of LoA to the following eligible bidders and to go ahead with the BharatNet Phase-II Project.

1. M/s Telecommunications Consultants India Limited,
2. M/s Larsen & Toubro
3. M/s Tera Software Limited

8. Government after careful examination of the proposal hereby permit the Managing Director, AP State FiberNet Limited (APSFL) to issue of LoA to the eligible bidders for appointment of Project Implementation Agency (PIA) for BharatNet Phase-II works to establish optical network infrastructure in the state of Andhra Pradesh *(3 packages)*.

1. M/s Telecommunications Consultants India Limited,
2. M/s Larsen & Toubro
3. M/s Tera Software Limited

9. The Managing Director, Andhra Pradesh State FiberNet Limited shall take necessary action accordingly.

10. This Order issues with the concurrence of the Finance Department vide their U.O.No.FIN01-FMU0MISC/200/2018-FMU-IIE, dated 09.01.2019.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, Andhra Pradesh FiberNet Limited, Vijayawada.
The Secretary, Department of Telecommunications, GoI, New Delhi-110001.
Copy to:
The P.S to Prl.Secretary to C.M.
The P.S to C.S to Government.
The P.S to Prl.Secretary to Government, E, I&I Department.
The Finance (FMU0MISC/200/2018-FMU-IIE) Department.
The GA(Cabinet) Department (Resolution no.536/2018).
(C.No.17022/4/2018)

//Forwarded :: By Order//

SECTION OFFICER